

HU KIM AI & ANOR*a***v.****LIEW YEW THOONG**

HIGH COURT MALAYA, KUALA LUMPUR

VINCENT NG J

[ORIGINATING SUMMONS NO: D1-24-371-1999]

5 SEPTEMBER 2002

b

TRADE MARKS: *Trade description - Registered trade mark infringement and false trade description - Trade description order - Application by intervenor to set aside trade description order - Trade Descriptions Act 1972, s. 16*

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The applicants had, pursuant to an *ex parte* application under s. 16(1) of the Trade Descriptions Act 1972 ('the Act'), obtained a Trade Description Order in respect of the use or application of the trade marks "BLANSACAR", "Five Star Device" and/or Chinese characters which read "WU XING SHANG JIANG" ('the said TDO'). The intervenor applied to set aside the said TDO on the following grounds: (a) that he was not made a party to the application for the said TDO although the applicants themselves knew about the existence of the intervenor, not only as a competitor in the market, but also as one of their partners in business; (b) that the said TDO had failed to identify the infringing mark with sufficient precision and, hence, did not satisfy s. 16 of the Act; and (c) that the applicants had failed to disclose the material fact that the intervenor and the applicants were once business partners.

*d**e***Held:***f*

[1] In respect of (a), there was no requirement under s. 16 of the Act which requires the proceedings to be made *inter partes*. It is now well settled that under the Act, applicants can elect to proceed *ex parte* or *inter partes* and that the court is not *functus officio* to review a TDO granted *ex parte* although perfected. The court was more inclined, on the facts, to accept the applicants' submission that they and the intervenor were never business partners. Further, as the applicants had taken steps since 1997 to stop the infringing acts of the intervenor, the proceedings here could not be viewed as a means to eliminate competition. Also, the intervenor's non-explanation as to why he had waited 21 months before applying to set aside the said TDO did not advance the *bona fides* of his cause. (p 517 d-h)

*g**h**i*

- a* [2] In respect of (b), the mark was clearly identified with the words “BLANSACAR” and the “Five Star Device” as depicted and represented in the Certificate of Registration. Thus, the learned judge had, in proper exercise of his discretion, granted a TDO of sufficient and exclusive particularity. (pp 518 h & 519 a)
- b* [3] In respect of (c), the facts not disclosed were not material facts. At any rate, the intervenor’s assertion that he and the applicants were business partners was a bare assertion. Clearly, the fact that the intervenor was renting a space in the applicants’ former premises was not a material fact for the purposes of the applicants’ application for a TDO. (p 519 d-e)

c [Intervenor’s application dismissed.]

Case(s) referred to:

- Brink’s Mat Ltd v. Elcombe* [1988] 1 WLR 1350 (**foli**)
- Jetaine Corporation Sdn Bhd v. JC Laboratory Sdn Bhd* [2000] 4 CLJ 629 HC (**refd**)
- d* *Majuperak Tepung Beras Sdn Bhd v. Tiga Gajah Cho Heng Sdn Bhd* [2001] 3 CLJ 241 (**dist**)
- Muniandy Thamba Kaundan & Anor v. Development & Commercial Bank Bhd & Anor* [1996] 2 CLJ 586 FC (**refd**)
- NV Sumatra Tobacco Trading Co v. PT Sampoerna JL Sdn Bhd* [1997] 3 CLJ 946 HC (**refd**)
- e* *Socoil Corporation Bhd v. Ng Foo Choong* [1981] 2 MLJ 7 (**refd**)
- Tiga Gajah Cho Heng Sdn Bhd v. Majuperak Tepung Beras Sdn Bhd* [1997] 1 CLJ Supp 52 HC (**refd**)

Legislation referred to:

- f* Trade Descriptions Act 1972, s. 16(1)
- For the applicants* - Michael Soo (Ong Boo Seng); M/s Shook Lin & Bok
- For the intervenor* - Ee Tee Gin; M/s Ee & Assocs

Reported by Suresh Nathan

g **JUDGMENT**

Vincent Ng J:

- h* The applicants made an application *ex parte* by an originating summons dated 2 November 1999 (encl. 1) for a Trade Description Order pursuant to s. 16(1) of the Trade Descriptions Act 1972 (“the Act”) in respect of the use or application of “BLANSACAR”, “Five Star Device” and/or Chinese characters which reads “WU XING SHANG JIANG”, as shown in Certificate of Registration No. 91/02436 in the Schedule. On 18 November 1999, the court granted a Trade Description Order (“the said TDO”) as set out in the said TDO. About a year and nine months thereafter the intervenor made an
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application by way of summons in chambers dated 13 August 2001 for leave to intervene and to set aside the said TDO, and on 7 February 2002 the intervenor was allowed leave to intervene. To urge me set aside the said order of 18 November 1999, the intervenor submitted three grounds, as follows:

- (a) As the applicants had full knowledge of the existence and identity of the intervenor they should have not have made the application *ex parte*;
- (b) The said TDO does not satisfy the requirement of s. 16 of the Trade Descriptions Act 1972; and,
- (c) The said TDO was based on material non-disclosure of facts.

On ground (a) above, the intervenor submitted that he was not made a party to the application for the said TDO though the applicants themselves knew the existence of the intervenes, not only as a competitor in the market but also as one of their partners in business. In my view there is no requirement under s. 16 of the Act which requires the proceedings to be made *inter partes*.

It is now well settled that under the Act the applicants can elect to proceed *ex parte* or *inter partes* and that a court is not *functus officio* to review a TDO order granted *ex parte* though perfected (*NV Sumatra Tobacco Trading Co v. PT Sampoerna JL Sdn Bhd* [1997] 3 CLJ 946 at p. 955; *Socoil Corporation Bhd v. Ng Foo Chong* [1981] 2 MLJ 7 at p. 9; and *Muniandy a/l Thamba Kaundan & Anor v. Development & Commercial Bank Bhd & Anor* [1996] 2 CLJ 586). As the intervenor neither asserted that the alleged partnership between him and the intervenor was registered, nor exhibited any evidence of search in the Registry of Businesses, I am more inclined to accept the applicants' submission that the applicants and the intervenor were never business partners – though I am mindful that the 2nd applicant had acknowledged that he had known the intervenor since 1982 when the latter was a tour guide, and that sometime towards the end of 1993, the intervenor had rented a space at the applicants' former premises and started business selling cameras and silver costume jewellery under the names of Foto Satu and Deluxe Silver respectively, which was unrelated to and independent of the applicants' business. Notably, counsel for the applicants had also submitted that the intervenor's claim that he has rights over the "Five Stars Device" is inconsistent with his earlier withdrawal of his trade mark applications Nos. 96/10906 and 96/10907. Further, I would accept counsel's submission in reply that as the applicants have taken steps since 1997 to stop the infringing acts of the intervenor, the proceedings herein cannot be viewed as a means to eliminate competition, as alleged by the intervenor. Also, the non-explanation by the intervenor as to why he had waited 21 months before applying to set aside the TDO dated 18 November 1999 does not advance the *bona fides* of his cause.

- a* On ground (b) above, the intervenor contends that the TDO has failed to identify the infringing mark with sufficient precision and hence does not satisfy s. 16 of the Act – being that (in his words): “annexing the said mark to the said TDO without proper description does not satisfy the requirement of s. 16 of the said Act”. I find that there is no ambiguity in the said TDO, as it was
- b* clearly specified, to the extent that: “the usepr application of ‘BLANSACAR’ trade mark as shown in Certificate of Registration No. 91/02436 on the Schedule hereto in connection with watches which are not manufactured or authorised by the applicants is hereby declared a false trade description within the meaning of the s. 16(1)(a) of the Act”. Upon careful study, I find the facts
- c* in the current case are distinguishable from the facts in *Majuperak Tepung Beras Sdn Bhd v. Tiga Gajah Cho Heng Sdn Bhd* [2001] 3 CLJ 241 (*Majuperak*). In *Majuperak*, the trade description order granted by the High Court was in the following terms: “Rekabentuk GAJAH sebagaimana yang diperihalkan dengan lebih jelas dan khususnya dalam jadual yang dilampirkan disini dan/atau rekabentuk lain yang serupa dalam warnanya atau mengelirukan
- d* ...” (See *Tiga Gajah Cho Heng Sdn Bhd v. Majuperak Tepung Beras Sdn Bhd* [1997] 1 CLJ Supp 52). The alleged infringing mark in *Majuperak* consists of a detailed drawing of an elephant with the words “Cap Gajah Tunggal” whereas the applicants had obtained a trade description order based on a caricature of an elephant, and a search at the Registry of Trade Marks revealed
- e* other registered trade marks containing an ‘elephant’ caricature or logo in the same class. Consequently, it was held in that case that as the use of an elephant device was not uncommon, it was imperative that the order must be specific in identifying the infringing mark. And, also that the terms “... dan/atau rekabentuk lain yang serupa dalam warnanya atau mengelirukan ...” (“... and/
- f* or other device which are colourably or confusingly similar ...”) have resulted in the order made being vague and too wide. Hence, quite correctly, having recognised that the trade description order may lead to penal consequences, and to ensure a measure of protection against the abuse of s. 16 of the Act, the Court of Appeal was persuaded to hold in *Majuperak* that: “a mere annexing of the mark to the order without proper description was insufficient”. It is my
- g* considered view that this dicta of the Court of Appeal should not be construed to mean that the annexing of a mark is never sufficient to describe the infringing mark with sufficient particularity. It may be useful here for us to bear in mind the aphorism: “a picture speaks a thousand words” and that some sophisticated
- h* marks in a device may be more aptly and sufficiently described by annexing a sketch or photo-representation of the mark. In the, instant case, the mark is clearly identified with the words “BLANSACAR” and the “Five Star Device” and as depicted and represented in the Certificate of Registration. It does not claim any other right to the ‘Star Device’ except in the form and manner as
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represented in Certificate of Registration No. 91/02436 which is, in my judgment, a very specific description of sufficient particularity. I am entirely satisfied that the learned judge had considered prayer (1) of the applicants' originating summons (encl. 1) and had on 18 November 1999 – and indeed for precision, in proper exercise of his discretion, amended the terms of prayer (1) – granted a TDO of sufficient and exclusive particularity.

On ground (c) the intervenor alleged that the applicants have failed to disclose a material fact that they were once business partners. In considering what constitutes “material facts”, it is helpful to recall the English Court of Appeal's decision in *Brink's Mat Ltd v. Elcombe* [1988] 1 WLR 1350 where Ralph Gibson LJ held, at p. 1356 paras G-H, as follows:

The material facts are these which it is material for the judge to know in dealing with the application as made: materiality is to be decided by the court and not by assessment of the applicant or his legal adviser ...

Applying the above approach of Ralph Gibson LJ, which I would subscribe to, I hold that the facts not disclosed are not material facts and the intervenor has failed to show that there was non-disclosure of material facts. At any rate, his assertion that he and the applicants were business partners are bare assertions, for reasons I have stated above. Clearly, the fact that the intervenor was renting a space in the applicants' former premises is not a material fact for the purposes of the applicants' application for a trade description order. In other words, it would not have any effect, let alone create “a decisive impact in the court disallowing the application” for a trade description order (per Steve Shim J) (as he then was) in *Jetaine Corporation Sdn Bhd v. JC Laboratory Sdn Bhd* [2000] 4 CLJ 629 at 633, para e).

In the event, I dismissed with costs the intervenor's application (*vide* prayer 2 of encl. 8) to set aside the said TDO dated 18 November 1999.